

**Statement of PPL Montana
Before the Energy and Telecommunications Committee
Of the Montana Senate
In Support of Senate Bill No. 257
January 27, 2009**

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Mr. Chairman and members of the Committee:

I stand in support of SB 257 and would like to thank Sen. Keane and many others for their hard work and innovation in putting this bill together.

For reasons already mentioned, this bill is a win-win. It supports low income folks with weatherization assistance; it supports and strengthens the renewable portfolio by providing a non-intermittent stable supply of power that needs no expensive load-following product; and it supports business decisions to make significant investments in Montana.

PPL Montana has already made decisions to invest in hydro upgrades at our facilities in Montana. At Kerr Dam, for example, we invested millions of dollars to upgrade a unit by installing a new and more efficient turbine. That investment created construction jobs and increased the output of that unit by about 20%, or 12 megawatts.

We have already chosen to make an upgrade investment at the Rainbow plant near Great Falls currently scheduled to start in March of 2010—an investment expected to be nearly \$192 million. This project involves construction over a two-plus year period of a new power house, increasing production at that plant by about 24 megawatts without any significant change in the operation of the river. The new power house will also contain a water turbine that is much more “fish-friendly” than the existing eight smaller turbines.

This bill provides an incentive to all hydro owners in Montana in determining whether or not to make these significant investments. Under this bill, such investments would provide good-paying jobs, stimulate economic development, assist low-income people, and bring stability to the renewable supply.

I urge your do-pass vote. Thank you.